

# FINANCIAL SECTION

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Columbia County, Georgia  
Evans, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and aggregate remaining fund information of Columbia County, Georgia, as of and for the year ended June 30, 2004, which collectively comprise Columbia County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Columbia County, Georgia's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the discretely presented component units, the business-type activities, each major fund and the aggregate remaining fund information of Columbia County, Georgia, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 15, 2004, on our consideration of Columbia County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Columbia County, Georgia, basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Columbia County, Georgia. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them

*Baird & Company, CPAs, LLC*  
Baird & Company, CPAs, LLC  
Certified Public Accountants

October 15, 2004  
Augusta, Georgia

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Management's Discussion & Analysis**

The Management's Discussion and Analysis of the Comprehensive Annual Financial Report (CAFR) of Columbia County, Georgia (the Government) provides an overall narrative and analysis of the Government's financial statements for the fiscal year ended June 30, 2004. This discussion and analysis is designed to look at the Government's financial performance as a whole. Readers should also review the additional information provided in the transmittal letter, which can be found preceding this narrative, and the complete financial statements, with notes, which follow this narrative, to enhance their understanding of the Government's financial performance.

### **Financial Highlights**

Key financial highlights of the Primary Government for the year ended June 30, 2004, are as follows:

- The Government's combined net assets totaled \$222.6 million.
- The Government's total net assets increased by \$18.3 million, primarily due to increased revenue from property taxes and sales taxes and a minimal change in the filled capacity of the landfill D cell from 90% as of June 30, 2003, to 93% as of June 30, 2004. This increased the liability for closure and postclosure care costs by only \$431,050 as of June 30, 2004.
- As of the close of the current fiscal year, the Government's governmental funds reported combined ending fund balances of \$44.3 million, an increase of \$2.7 million from the prior year. Approximately 87% of this total amount, or \$38.6 million, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$15.5 million, or 41% of total General Fund expenditures for the fiscal year. Of this amount, \$11.1 million has been designated for other purposes, leaving \$4.4 million, or 11.8% of total General Fund expenditures, as undesignated.
- Combined Revenue totaled \$94.7 million of which governmental activities totaled \$65.9 million and business-type activities totaled \$28.8 million.
- Overall expenses totaled \$76.5 million of which governmental activities totaled \$54.0 million and business-type activities totaled \$22.5 million.
- Expenses of governmental activities exceeded program revenue, resulting in the use of \$38.4 million in general revenues (mostly taxes).
- Total Outstanding Long-Term Debt, excluding compensated absences, decreased approximately \$4.1 million due to the continuing reduction in outstanding principal on existing debt.

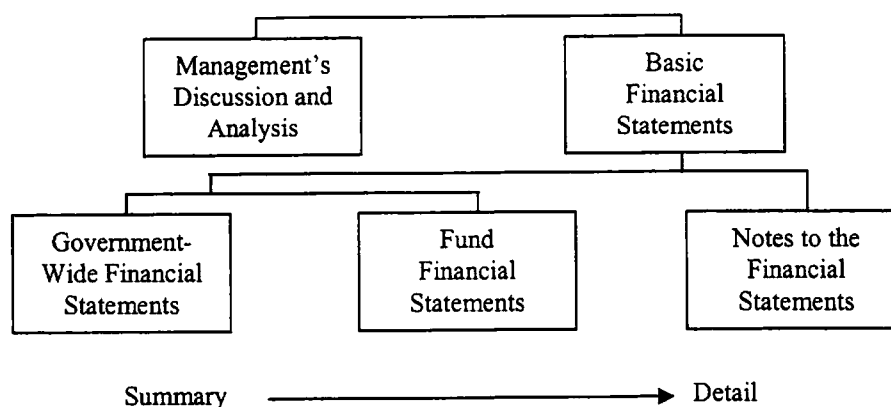


## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Government's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Government through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Government.

### Required Components of Annual Financial Report

Figure 1



## Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Government's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of Columbia County, Georgia's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Government's non-major governmental funds and internal service funds, all of which are added together in one column on the appropriate basic financial statements.

## **Government-wide Financial Statements**

The Government-wide financial statements provide a broad view of the Government's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Government's financial position, which assists in assessing the economic condition at the end of the fiscal year. These statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This means the statements take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include the following two statements:

The **Statement of Net Assets** presents information on all of the Government's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Government is improving or deteriorating.

The **Statement of Activities** presents information showing how the Government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expense and program revenues for each function of the Government.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities and 3) component units. The governmental activities include most of the Government's basic services such as general administration, judicial services, public safety, public works, health and welfare, culture and recreation, and housing and development. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those services that the Government charges a fee to customers in order to provide. These include solid waste management, water and sewer, and storm water. The final category is component units. The Development Authority of Columbia County serves to promote, pursue and implement economic development in the county. The Columbia County Board of Health is a public health department. The Bartram Trail, CDC, Inc. is a community development corporation created to develop, construct, and operate a public golf course in Columbia County. Although legally separate from the Government, the Government appoints a voting majority of the boards for the Development Authority, the Board of Health, and the Bartram Trail, CDC, Inc.

## **Fund Financial Statements**

A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the Government, reporting the Government's operations in more detail than the government-wide statements. All of the funds of the Government can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. These fund categories use different accounting approaches and should be interpreted differently.

## *Governmental Funds*

Most of the basic services provided by the Government are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide statements, these funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which focuses on current financial resources. Such information may be useful in evaluating the government's short-term financing requirements. These statements provide a detailed short-term view of the Government's finances that assists in determining whether there will be adequate financial resources available to meet the Government's current needs. The relationship between government activities in the government-wide financial statements and the governmental funds financial statements is described in a reconciliation that is a part of the fund financial statements.

The Government has four governmental fund types: the General Fund, Special Revenue Funds, Debt Service Fund and the Capital Projects Funds. Only two individual funds are being considered major funds – the General Fund and the 2001-2005 Special Purpose Local Option Sales Tax Fund (SPLOST).

## *Proprietary Funds*

The Government has two types of proprietary funds used to account for activities that operate similar to commercial enterprises found in the private sector. Funds that charge fees for services provided to outside customers including other local governments are known as Enterprise Funds. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Funds that charge fees for services provided to departments within the reporting government are known as Internal Service Funds. Proprietary funds use the accrual basis of accounting, thus there is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The Government has four enterprise funds: Water and Sewerage Fund, Solid Waste Authority Fund, Solid Waste Management Fund and the Storm Water Utility Fund. The Government has three internal service funds: Employee Medical Fund, Risk Management Fund and Customer Service Information Center. The Water and Sewerage Fund, Solid Waste Authority Fund and Solid Waste Management Fund are the only funds being considered major funds for presentation purposes.

## *Fiduciary Funds*

The Fiduciary Funds are used to account for assets held by the Government as an agent for individuals, private organizations, other governments and other Columbia County departments. The Government is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because the resources are not available to support the Government's operations or programs.



## Government-wide Financial Analysis

### Net Assets

Net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Government exceeded liabilities by \$222.6 million as of June 30, 2004.

The largest portion of the Government's net assets, \$160.8 million or 72%, reflects its investment in capital assets such as land, buildings, equipment and infrastructure (road, bridges, sidewalks, water lines and sewer lines) less any related debt used to acquire those assets that is still outstanding. The Government uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Government's net assets, \$19.8 million or 9%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$42.0 million or 19%, may be used to meet the Government's ongoing obligations to citizens and creditors.

Several particular aspects of the Government's financial operations positively influenced the total *unrestricted governmental net assets*:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 99% for real and personal property.
- Continued low cost of debt due to the County's high bond rating.
- Continued diligence in the maintenance of a 75 – 90 day unreserved fund balance designated for operations in the General Fund.

### The Government's Net Assets

June 30

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 47,662,711	\$ 45,790,681	\$ 36,226,952	\$ 47,363,874	\$ 83,889,663	\$ 93,154,555
Capital assets	108,647,331	99,389,399	136,153,844	120,940,250	\$ 244,801,175	\$ 220,329,649
Total assets	156,310,042	145,180,080	172,380,796	168,304,124	\$ 328,690,838	\$ 313,484,204
Long-term liabilities outstanding	28,732,940	29,259,783	68,297,681	71,563,092	\$ 97,030,621	\$ 100,822,875
Other liabilities	4,620,888	4,862,494	4,440,404	2,406,895	\$ 9,061,292	\$ 7,269,389
Total liabilities	33,353,828	34,122,277	72,738,085	73,969,987	\$ 106,091,913	\$ 108,092,264
Net assets:						
Invested in capital assets, net of related debt	81,177,331	71,494,399	79,637,692	68,365,327	\$ 160,815,023	\$ 139,859,726
Restricted	12,614,140	715,729	7,134,148	7,998,301	\$ 19,748,288	\$ 8,714,030
Unrestricted	29,164,743	38,847,675	12,870,871	17,970,509	\$ 42,035,614	\$ 56,818,184
Total net assets	\$ 122,956,214	\$ 111,057,803	\$ 99,642,711	\$ 94,334,137	\$ 222,598,925	\$ 205,391,940

## Changes in Net Assets

**Governmental activities.** Governmental activities increased the Government's net assets by \$11.9 million, thereby accounting for 65% of the total growth in the net assets of the Government. Key elements of this increase are as follows:

**Governmental Revenues.** Property tax and other taxes continue as the main source of revenue for governmental activities of the Primary Government amounting to 75% of total governmental revenues for the year ended June 30, 2004. Sales tax revenues contributed approximately \$3 million to the increase in net assets. Also, operating grants and capital grants increased by \$2.4 million and \$3 million, respectively.

**Governmental Functional Expenses:** As reflected in the summary of Changes in Net Assets, the Government expended 46% of the governmental appropriations for judicial and public safety expenditures. The Government continues to commit substantial financial resources for the safety of its citizens.

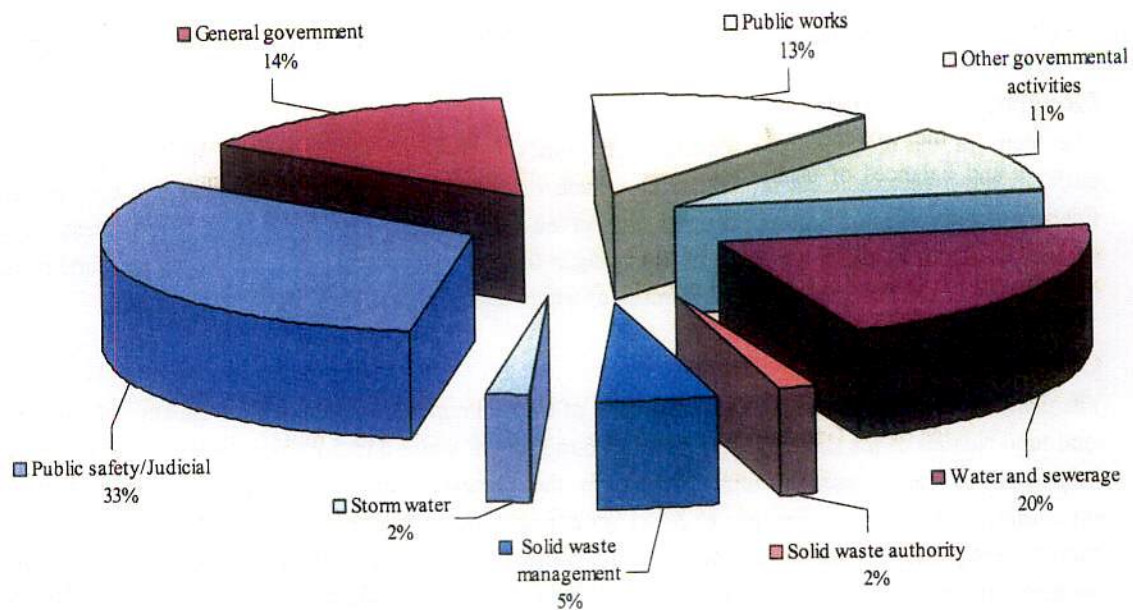
**Business-type activities:** Business-type activities increased the Government's net assets by approximately \$6.4 million, accounting for 35% of the total growth in the government's net assets. Key elements of this increase are as follows:

- The Water and Sewerage Fund reported an increase in net assets of \$4.2 million due to continued operating efficiency of the fund. Although the demand for water was lower than in previous years due to an unseasonably wet summer, management was able to control operating costs in connection with establishing rates sufficient to ensure an increase in net assets.
- The Solid Waste Authority Fund reported an increase in net assets of \$441,522. This increase was due to a minimal change in the filled capacity of the landfill D cell from 90% as of June 30, 2003, to 93% as of June 30, 2004. This increased the liability for closure and postclosure care costs by only \$431,050 as of June 30, 2004.
- The Solid Waste Management Fund reported a decrease in net assets of \$12,930. This decrease was due to reduced usage of the landfill. The landfill is expected to close during fiscal year 2005.

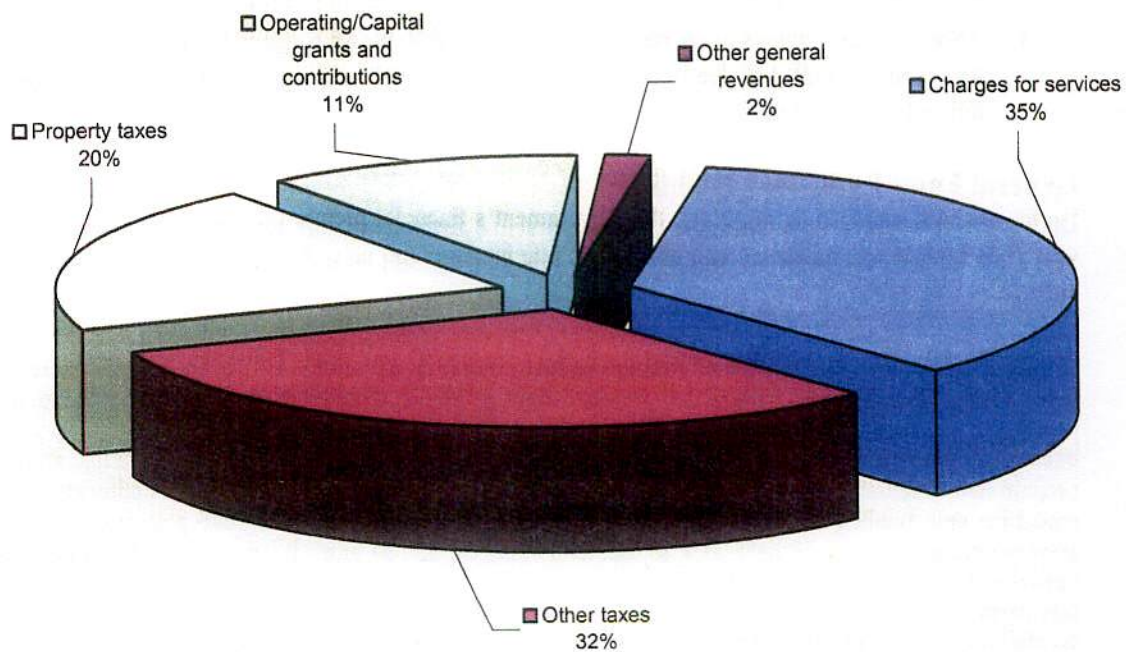
**The Government Changes in Net Assets  
For the Year Ended June 30  
Figure 3**

	Governmental Activities		Business-type Activities		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues:						
Program revenues:						
Charges for services	\$ 8,908,132	\$ 8,271,016	\$ 24,416,995	\$ 28,122,405	\$ 33,325,127	\$ 36,393,421
Operating grants and contributions	2,810,736	395,277	-	-	2,810,736	395,277
Capital grants and contributions	3,911,264	901,989	4,123,601	71,838	8,034,865	973,827
General revenues:						
Property taxes	19,171,747	18,156,702	-	-	19,171,747	18,156,702
Other taxes	29,945,007	25,975,970	-	-	29,945,007	25,975,970
Revenues from use of money	503,308	686,170	294,417	286,586	797,725	972,756
Gain on sale of assets	277,940	78,949	-	6,850	277,940	85,799
Miscellaneous	368,753	439,346	9,425	-	378,178	439,346
Total revenues	<u>65,896,887</u>	<u>54,905,419</u>	<u>28,844,438</u>	<u>28,487,679</u>	<u>94,741,325</u>	<u>83,393,098</u>
Expenses:						
General government	10,690,148	9,160,130	-	-	10,690,148	9,160,130
Judicial system	3,079,123	3,099,467	-	-	3,079,123	3,099,467
Public safety	21,614,362	17,039,958	-	-	21,614,362	17,039,958
Public works	9,943,098	5,258,183	-	-	9,943,098	5,258,183
Health and welfare	1,552,310	1,097,913	-	-	1,552,310	1,097,913
Culture and recreation	3,239,469	2,979,531	-	-	3,239,469	2,979,531
Housing and development	2,482,975	2,458,672	-	-	2,482,975	2,458,672
Interest on long-term debt	1,396,991	1,476,859	-	-	1,396,991	1,476,859
Water and sewer	-	-	15,639,176	13,650,616	15,639,176	13,650,616
Storm water	-	-	1,508,994	1,684,876	1,508,994	1,684,876
Solid waste management	-	-	4,090,072	4,537,644	4,090,072	4,537,644
Solid waste authority	-	-	1,236,723	7,617,211	1,236,723	7,617,211
	<u>53,998,476</u>	<u>42,570,713</u>	<u>22,474,965</u>	<u>27,490,347</u>	<u>76,473,441</u>	<u>70,061,060</u>
Increase in net assets	11,898,411	12,334,706	6,369,473	997,332	18,267,884	13,332,038
Net assets, July 1	111,057,803	98,723,097	94,334,137	93,336,805	205,391,940	192,059,902
Prior period adjustment	-	-	(1,060,899)	-	(1,060,899)	-
Net assets, June 30	<u>\$ 122,956,214</u>	<u>\$ 111,057,803</u>	<u>\$ 99,642,711</u>	<u>\$ 94,334,137</u>	<u>\$ 222,598,925</u>	<u>\$ 205,391,940</u>

### Government-Wide Expenses



### Government-Wide Revenues





## **Financial Analysis of the Government's Individual Funds**

Columbia County uses fund accounting to demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the Government's governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing the Government's financial requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The combined fund balance of all the governmental funds is \$44.3 million, of which \$38.6 million, or 87%, is unreserved.

### **General Fund**

The General Fund is the primary operating fund of the Government. At the end of the current fiscal year, total fund balance of the General Fund was \$16.6 million, of which \$15.5 million, or 93%, was unreserved. A portion of the unreserved fund balance in the General Fund is designated for operations and extraordinary losses, in the amounts of \$10.1 million and \$1 million, respectively, as required by financial management policies of the Government. As a measure of the General Fund's liquidity, it may be useful to compare both undesignated and designated fund balance to total fund expenditures. As of June 30, 2004, total unreserved fund balance, both undesignated and designated, represents 41% of total general fund expenditures.

The fund balance of the General Fund increased \$1.8 million (12%) as the Board of Commissioners makes a collaborative effort to improve the reserve of the Government. Key factors to this increase are as follows:

- ◆ Total revenue exceeded prior year revenue by \$2.5 million, or 6.8%, primarily due to the increase of \$2.8 million in taxes. This increase includes additional sales tax revenues of \$1.4 million, additional recording intangibles taxes of \$334,627, and additional property taxes of \$804,827.
- ◆ Although expenditures increased in fiscal year 2004 by \$2.6 million, or 7.6%, capital outlay decreased by \$320,138 due to the success of the SPLOST program and other sources of revenues utilized for capital needs.

### **General Fund Budgetary Highlights**

During the year ended June 30, 2004, the Government's financial picture remains impressive. The fiscal year 2004 budget was balanced with no millage rate increase and no reduction in services provided to the citizens.

During the year, the Government revised the budget on several occasions. However, no amendments were made to the General Fund budget that changed total revenues, expenditures, or other financing sources (uses). Generally, budget amendments fall into one of five categories: 1) amendments to appropriate fund balance for encumbrances from the prior year; 2) amendments made to adjust the estimates that are used to prepare the original budget resolution once exact information is available; 3) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; 4) increases in appropriations that become necessary to maintain services; and 5) amendments to transfer appropriations between departments. The fifth category has no effect on the final budget and, therefore, is not addressed in this narrative. For example, included in the original budget for the general government function was a contingency in the amount of \$843,299. During the year, the Government transferred these funds to other functions as needed, but this had no impact on the total budget.

The actual operating revenues for the General Fund were more than the budgeted amount by \$196,425, or <1%. The individual sources within the revenues fluctuated both positively and negatively. No individual source materially varied from the final budget, except for *other revenues*. In order to balance revenues with expenditures, the Government budgeted as a revenue \$1.55 million of fund balance to be used for capital expenditures.

As a result of superior budget management by all departments of the Government, actual operating expenditures were less than the budgeted amount by \$2.1 million. For the year, actual revenue and other financing sources exceeded actual expenditures and other financing uses by \$1.8 million.

### **Capital Projects Funds**

The Government uses Capital Projects Funds to account for the acquisition and construction of major capital facilities that are not financed by Proprietary Funds. A major fund included in the fund financial statements is the 2001-2005 SPLOST Fund. The proceeds of the special purpose 1% sales tax are accounted for in this Capital Projects Fund until improvement projects are completed. The SPLOST Fund's fund balance is \$18.6 million, all of which is held for specific construction and improvement projects and capital acquisitions. The increase in fund balance is due to the timing of the collection of revenues as compared to project expenditures.

### **Proprietary Funds**

The activities of the Government that render services to the general public on a user charge basis, or that require periodic determination of revenues for public policy, are accounted for as Enterprise Funds. The Government's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets at the end of the year were as follows: Water and Sewerage Fund, \$11.6 million; Solid Waste Authority Fund, \$(342,507); Solid Waste Management Fund, \$(339,975); Storm Water Utility Fund, \$1.5 million. The total growth (reduction) in net assets for previously mentioned funds was \$4.2 million, \$441,522, \$(12,930), and \$1.7 million, respectively. A prior period adjustment in the amount of \$(1,060,899) was made to beginning net assets in the Water and Sewerage Fund due to an error in prior years' calculations of depreciation expense. Other factors concerning the finances of these funds have already been addressed in the discussion of the Government's business-type activities.

## **Capital Assets and Debt Administration**

### **Capital Assets**

The Government's investment in capital assets for its governmental and business-type activities as of June 30, 2004, amounts to \$244.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the Government, such as roads, bridges, streets and sidewalks, drainage systems and other similar items.

Major capital asset transactions during the year include:

- Construction of \$8.2 million of infrastructure and other public works projects.
- Addition of water and sewer systems of \$5 million and storm water systems of \$1.6 million.
- Increase in construction in process for water and sewer projects of \$14.4 million.

Additional information on the Government's capital assets can be found in Note 6 of the notes to the



financial statements of this report.

**The Government's Capital Assets  
(net of depreciation)  
June 30**

**Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 25,943,275	\$ 25,049,103	\$ 1,425,680	\$ 1,225,680	\$ 27,368,955	\$ 26,274,783
Buildings	43,399,861	45,784,769	1,072,482	1,125,749	44,472,343	46,910,518
Improvements other than buildings	2,407,065	2,469,631	952,533	1,587,555	3,359,598	4,057,186
Utility plant and distribution systems	-	-	63,062,442	63,137,027	63,062,442	63,137,027
Donated subdivision	-	-	33,650,416	31,934,037	33,650,416	31,934,037
Storm water systems	-	-	4,330,808	3,109,206	4,330,808	3,109,206
Infrastructure	24,186,101	18,276,066	-	-	24,186,101	18,276,066
Vehicles, machinery and equipment	2,881,592	2,898,825	2,018,090	2,539,945	4,899,682	5,438,770
Construction in progress	9,829,437	4,911,005	29,641,392	15,220,151	39,470,829	20,131,156
Total	<u>\$108,647,331</u>	<u>\$ 99,389,399</u>	<u>\$136,153,843</u>	<u>\$119,879,350</u>	<u>\$244,801,174</u>	<u>\$219,268,749</u>

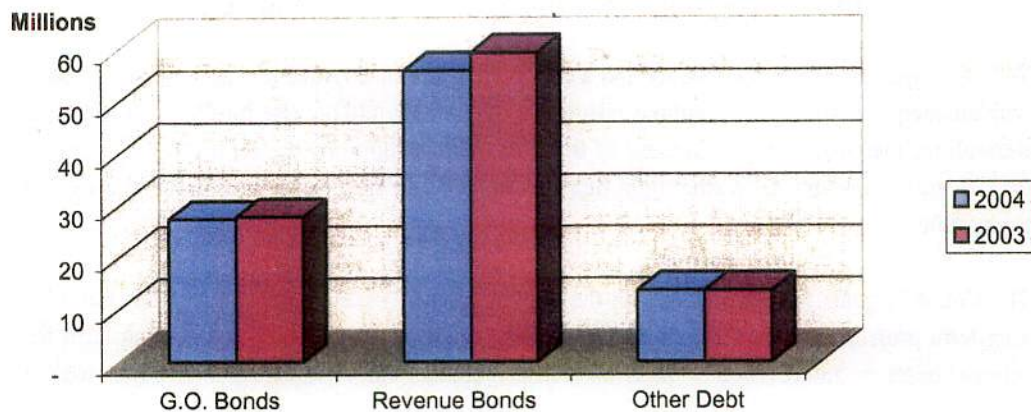
### Long-Term Debt

As of June 30, 2004, the Government had a total of \$97 million in outstanding long-term debt. Of this amount, \$27.5 million consists of general obligation debt backed by the full faith and credit of the government and \$55.9 million consists of revenue bonds backed by the revenues of the water and sewer system and the landfill. The Government retired \$3.5 million of outstanding bonds during the year ended June 30, 2004. There were no general obligation or revenue bonds issued during fiscal year 2004.

**The Government's Outstanding Debt  
General Obligation and Revenue Bonds  
June 30, 2004 and 2003**

**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
General obligation bonds	\$ 27,470,000	\$ 27,895,000	\$ -	\$ -	\$ 27,470,000	\$ 27,895,000
Revenue bonds	-	-	55,885,405	59,267,408	55,885,405	59,267,408
Other debt	1,262,940	1,364,783	12,412,278	12,295,684	13,675,218	13,660,467
Total debt	<u>\$ 28,732,940</u>	<u>\$ 29,259,783</u>	<u>\$ 68,297,683</u>	<u>\$ 71,563,092</u>	<u>\$ 97,030,623</u>	<u>\$ 100,822,875</u>



In September 2004, the Government made presentations to the bond rating agencies in New York in preparation for the issuance of general obligation and water and sewerage revenue bonds. The Government has maintained a bond rating of Aa3 from Moody's Investor Services for both the general obligation and water and sewerage debt. Standard and Poor's upgraded the general obligation debt from AA- to AA and the water and sewerage debt from A to AA-. Fitch upgraded the general obligation debt from AA- to AA and maintained the water and sewerage debt at AA-. These bond ratings are clear indications of the sound financial condition of the Government. These high ratings are a primary factor in keeping interest costs low on the Government's outstanding debt.

The State of Georgia limits the amount of general obligation debt that a unit of government can issue to 10 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Government is \$235 million.

Additional information regarding the Government's long-term debt can be found in Note 7 of the notes to the financial statements of this report.

### Economic Factors

The Board of Commissioners have continued to aggressively address the current and future needs of the Government by focusing on sound financial management, the reserve policy, the use of current resources for capital expenditures and the development of capital improvement plans. With a growing, diverse population, the challenge is to continue to improve the quality of life by concentrating on the demands placed on the public infrastructure such as transportation, water supply, wastewater treatment, the demands of revitalization of many business areas and the demands of greenspace conservation. Although the nation and surrounding counties are facing financial difficulties, Columbia County is able to maintain low property tax rates and low debt levels and has increased the reserves so that we can remain a leader and provide the best place to live, work and play.



## **Budget Highlights for the Fiscal Year Ending June 30, 2005**

With the rapid growth in the County and a continual desire to improve services, passing a balanced budget with an adequate contingency without raising the operational millage rate for the sixth consecutive year is a triumph for the Government. Because of the fiscal responsibility by the Board of Commission in the past, the Government is able to weather tight financial times while seeking to provide services as cost-effectively as possible.

The County's goals for 2005 start with the continuation of fiscal responsibility and strategies for needed long-term projects. Three major initiatives – SPLOST renewal, the initiation of long-term fire protection service contracts, and revision of the Growth Management Plan – will be the focal points for the BOC.

In July 2004, the SPLOST (Special Purpose Local Option Sales Tax) referendum was approved by the citizens, and this renewal could bring in up to \$100 million in additional tax revenue over a five-year period. Numerous projects for recreation, transportation, public safety, County facilities, and intergovernmental ventures have been identified.

Public safety is the primary mission of any county government. Communication improvements for the Sheriff's Office and staffed fire stations throughout the County are a priority. The BOC voted in December 2003 to change from a subscription-based fire protection service to a property-tax based fire protection service. The County now contracts with private fire departments to provide the service and will provide needed stations and equipment.

Below are additional budget highlights of the General Fund:

- |   |             |
|---|-------------|
| • Economic development  | \$ 916,796  |
| • 1.5% Contingency  | \$ 609,945  |
| • 12 new positions in various<br>County departments and other<br>promotions and reclassifications | \$ 392,425  |
| • Merit/benefit increases   | \$ 793,187  |
| • Capital equipment   | \$1,616,576 |
| • Increase from prior year  | 3.39%       |

### **Requests for Information**

This report is designed to provide an overview of the Government's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Columbia County, Georgia, 630 Ronald Reagan Drive, Evans, Georgia 30809.

## BASIC FINANCIAL STATEMENTS

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## GOVERNMENT-WIDE FINANCIAL STATEMENTS



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**Columbia County, Georgia**

**Statement of Net Assets**

**June 30, 2004**

	Primary Government			Component Units		
	Governmental Activities	Business- Type Activities	Total	Development Authority of Columbia County	Columbia County Board of Health	Bartram Trail CDC, Inc.
<b>Assets</b>						
Cash and cash equivalents	\$ 37,045,647	\$ 8,483,059	\$ 45,528,706	\$ 61,509	\$ 254,511	\$ -
Investments	4,731,311	13,740,271	18,471,582	-	-	-
Taxes receivable	348,971	-	348,971	-	-	-
Accounts receivable	743,151	3,396,376	4,139,527	31,573	46,738	-
Intergovernmental receivable	4,200,101	-	4,200,101	-	-	-
Internal balances	(373,958)	373,958	-	-	-	-
Inventories	28,575	311,395	339,970	-	-	-
Prepaid items	176,830	30,875	207,705	253	-	-
Deferred charges	-	1,049,405	1,049,405	-	-	945,137
Due from fiduciary funds	701,083	-	701,083	-	-	-
Due from component units	61,000	-	61,000	-	-	-
<b>Capital assets:</b>						
Land and construction in progress	35,772,712	29,731,129	65,503,841	489,194	-	3,605,810
Other capital assets, net of accumulated depreciation	72,874,619	106,422,715	179,297,334	1,875,890	27,434	-
<b>Restricted assets:</b>						
Restricted cash	-	6,861,669	6,861,669	-	-	5,746,934
Restricted investments	-	1,979,944	1,979,944	-	-	-
<b>Total assets</b>	<b>156,310,042</b>	<b>172,380,796</b>	<b>328,690,838</b>	<b>2,458,419</b>	<b>328,683</b>	<b>10,297,881</b>
<b>Liabilities</b>						
Accounts payable	2,451,058	3,835,749	6,286,807	1,084	2,075	-
Accrued payroll	1,312,834	215,556	1,528,390	-	-	-
Unearned revenue	256,129	-	256,129	-	-	-
Accrued interest payable	600,867	300,339	901,206	3,999	-	-
Due to primary government	-	-	-	61,000	-	-
Customer deposits	-	88,760	88,760	-	-	-
<b>Long-term liabilities:</b>						
Liabilities due within one year	1,595,000	4,522,637	6,117,637	575,000	79,095	-
Liabilities due in greater than one year	27,137,940	63,775,044	90,912,984	3,320,000	-	10,384,516
<b>Total liabilities</b>	<b>33,353,828</b>	<b>72,738,085</b>	<b>106,091,913</b>	<b>3,961,083</b>	<b>81,170</b>	<b>10,384,516</b>
<b>Net assets</b>						
Invested in capital assets, net of related debt	81,177,331	79,637,692	160,815,023	2,365,084	27,434	(2,846,251)
Restricted for debt service	12,614,140	7,134,148	19,748,288	-	-	1,814,479
Unrestricted	29,164,743	12,870,871	42,035,614	(3,867,748)	220,079	945,137
<b>Total net assets</b>	<b>\$ 122,956,214</b>	<b>\$ 99,642,711</b>	<b>\$ 222,598,925</b>	<b>\$ (1,502,664)</b>	<b>\$ 247,513</b>	<b>\$ (86,635)</b>

The notes to the financial statements are an integral part of this statement.

**Columbia County, Georgia**  
**Statement of Activities**  
**For the Year Ended June 30, 2004**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 10,690,148	\$ 2,053,359	\$ 2,124,840	\$ 3,198,002
Judicial system	3,079,123	2,766,721	60,231	-
Public safety	21,614,362	1,926,851	117,403	-
Public works	9,943,098	159,322	253,908	288,515
Health and welfare	1,552,310	90,661	146,613	-
Culture and recreation	3,239,469	506,461	46,217	424,747
Housing and development	2,482,975	1,404,757	61,524	-
Debt service - interest and fees	1,396,991	-	-	-
Total governmental activities	53,998,476	8,908,132	2,810,736	3,911,264
Business-type activities:				
Water and sewer	15,639,176	16,863,596	-	2,954,986
Storm water	1,508,994	2,000,827	-	1,168,615
Solid waste management	4,090,072	2,750,707	-	-
Solid waste authority	1,236,723	2,801,865	-	-
Total business-type activities	22,474,965	24,416,995	-	4,123,601
<b>Total primary government</b>	<b>\$ 76,473,441</b>	<b>\$ 33,325,127</b>	<b>\$ 2,810,736</b>	<b>\$ 8,034,865</b>
<b>Component units:</b>				
Development Authority of Columbia County	\$ 385,154	\$ 1,625	\$ 603,310	\$ -
Columbia County Board of Health	1,215,101	169,385	1,025,520	-
Bartram Trail CDC, Inc.	115,887	-	-	-
<b>Total component unit</b>	<b>\$ 501,041</b>	<b>\$ 1,625</b>	<b>\$ 603,310</b>	<b>\$ -</b>
<b>General revenues:</b>				
Taxes, property				
Taxes, other than property				
Revenues from use of money and property				
Gain on sale of capital assets				
Miscellaneous				
Total general revenues				
Change in net assets				
Net assets - beginning				
Prior period adjustment				
Net assets - beginning, as restated				
Net assets - ending				

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets						
Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Development Authority of Columbia County	Columbia County Board of Health	Bartram Trail CDC, Inc.	
\$ (3,313,947)	\$ -	\$ (3,313,947)	\$ -	\$ -	\$ -	
(252,171)	-	(252,171)	-	-	-	
(19,570,108)	-	(19,570,108)	-	-	-	
(9,241,353)	-	(9,241,353)	-	-	-	
(1,315,036)	-	(1,315,036)	-	-	-	
(2,262,044)	-	(2,262,044)	-	-	-	
(1,016,694)	-	(1,016,694)	-	-	-	
(1,396,991)	-	(1,396,991)	-	-	-	
(38,368,344)	-	(38,368,344)	-	-	-	
-	4,179,406	4,179,406	-	-	-	
-	1,660,448	1,660,448	-	-	-	
-	(1,339,365)	(1,339,365)	-	-	-	
-	1,565,142	1,565,142	-	-	-	
-	6,065,631	6,065,631	-	-	-	
(38,368,344)	6,065,631	(32,302,713)	-	-	-	
\$ -	\$ -	\$ -	\$ 219,781	\$ -	\$ -	
-	-	-	-	(20,196)	-	
-	-	-	-	-	(115,887)	
\$ -	\$ -	\$ -	\$ 219,781	\$ (20,196)	\$ (115,887)	
19,171,747	-	19,171,747	-	-	-	
29,945,007	-	29,945,007	-	-	-	
503,308	294,417	797,725	6,789	1,751	29,252	
277,940	-	277,940	-	-	-	
368,753	9,425	378,178	44,666	49,473	-	
50,266,755	303,842	50,570,597	51,455	51,224	29,252	
11,898,411	6,369,473	18,267,884	271,236	31,028	(86,635)	
111,057,803	94,334,137	205,391,940	(1,773,900)	216,485	-	
-	(1,060,899)	(1,060,899)	-	-	-	
111,057,803	93,273,238	204,331,041	(1,773,900)	216,485	-	
\$ 122,956,214	\$ 99,642,711	\$ 222,598,925	\$ (1,502,664)	\$ 247,513	\$ (86,635)	

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## FUND FINANCIAL STATEMENTS

**Columbia County, Georgia**

**Balance Sheet  
Governmental Funds  
June 30, 2004**

	<b>General</b>	<b>Special Local Option Sales Tax Fund 2001-2005</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 14,400,577	\$ 17,241,166	\$ 5,119,291	\$ 36,761,034
Investments	4,049,396	-	681,915	4,731,311
Taxes receivable	317,966	-	31,005	348,971
Accounts receivable	164,795	7,016	570,281	742,092
Intergovernmental receivable	1,918,103	2,281,998	-	4,200,101
Due from component units	-	61,000	-	61,000
Due from other funds	4,232,607	-	6,355,603	10,588,210
Inventories	28,575	-	-	28,575
Prepaid items	154,391	11,624	10,510	176,525
<b>Total assets</b>	<b>\$ 25,266,410</b>	<b>\$ 19,602,804</b>	<b>\$ 12,768,605</b>	<b>\$ 57,637,819</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 678,860	\$ 853,683	\$ 656,257	\$ 2,188,800
Accrued payroll	1,183,183	38,079	83,948	1,305,210
Accrued compensated absences	205,643	2,873	15,815	224,331
Deferred revenue	267,398	-	281,151	548,549
Due to other funds	6,335,194	114,428	2,628,437	9,078,059
Accrued interest	-	-	24,433	24,433
<b>Total liabilities</b>	<b>8,670,278</b>	<b>1,009,063</b>	<b>3,690,041</b>	<b>13,369,382</b>
<b>Fund balances:</b>				
Reserved for encumbrances	956,805	1,554,480	2,135,855	4,647,140
Reserved for inventories/prepaid items	182,966	11,624	10,510	205,100
Reserved for debt service	-	-	848,444	848,444
Unreserved, designated for operations	10,063,212	-	-	10,063,212
Designated for extraordinary reserve	1,000,000	-	-	1,000,000
Unreserved, undesignated	4,393,149	17,027,637	-	21,420,786
<b>Unreserved, reported in nonmajor:</b>				
Special revenue	-	-	733,988	733,988
Capital projects	-	-	5,349,767	5,349,767
<b>Total fund balances</b>	<b>16,596,132</b>	<b>18,593,741</b>	<b>9,078,564</b>	<b>44,268,437</b>
<b>Total liabilities and fund balances</b>	<b>\$ 25,266,410</b>	<b>\$ 19,602,804</b>	<b>\$ 12,768,605</b>	<b>\$ 57,637,819</b>

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia

Reconciliation of the Balance Sheet of Governmental Funds to the  
Statement of Net Assets  
June 30, 2004

---

Amounts reported for governmental activities in the statement of net assets are different because:

Ending fund balance - governmental funds	\$ 44,268,437
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	108,647,331
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	292,420
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(28,503,142)
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(576,434)
Internal service funds are used by management to charge the costs of risk management and employee health benefits activity to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(572,472)
Certain activities between funds, including indirect costs and reimbursements, are recorded as revenues and expenditures in the respective funds. These interfund transactions have been eliminated in the statement of net assets.	<u>(599,926)</u>
Net assets of governmental activities	<u>\$ 122,956,214</u>

The notes to the financial statements are an integral part of this statement.

**Columbia County, Georgia**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2004**

	General	Special Local Option Sales Tax Fund 2001-2005	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes - property	\$ 17,260,914	\$ -	\$ 1,956,261	\$ 19,217,175
Taxes - other than property	14,167,247	12,341,187	3,419,055	29,927,489
Licenses and permits	328,687	-	837,070	1,165,757
Intergovernmental	1,925,011	948,935	909,062	3,783,008
Charges for services	2,963,898	-	2,711,122	5,675,020
Fines and forfeitures	1,637,758	-	356,010	1,993,768
Investment income	151,350	183,187	166,222	500,759
Contributions and donations	13,370	-	49,758	63,128
Other	271,749	6,566	88,360	366,675
Total revenues	38,719,984	13,479,875	10,492,920	62,692,779
<b>Expenditures</b>				
Current:				
General government	8,303,134	1,302,391	-	9,605,525
Judicial system	3,000,304	-	23,170	3,023,474
Public safety	16,238,772	-	3,325,694	19,564,466
Public works	3,345,303	-	3,947,424	7,292,727
Health and welfare	1,039,230	-	379,732	1,418,962
Culture and recreation	2,632,346	-	321,050	2,953,396
Housing and development	1,545,650	-	869,428	2,415,078
Miscellaneous	-	-	6,865	6,865
Capital outlay	1,260,405	9,132,599	1,765,291	12,158,295
Debt service:				
Principal	-	-	425,000	425,000
Interest	-	-	1,406,354	1,406,354
Total expenditures	37,365,144	10,434,990	12,470,008	60,270,142
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,354,840</b>	<b>3,044,885</b>	<b>(1,977,088)</b>	<b>2,422,637</b>
<b>Other financing sources (uses)</b>				
Sale of property	277,940	-	-	277,940
Transfers in	182,010	34,353	-	216,363
Transfers out	-	(7,010)	(209,353)	(216,363)
Total other financing sources (uses)	459,950	27,343	(209,353)	277,940
<b>Net change in fund balances</b>	<b>1,814,790</b>	<b>3,072,228</b>	<b>(2,186,441)</b>	<b>2,700,577</b>
<b>Fund balances - beginning</b>	<b>14,781,342</b>	<b>15,521,513</b>	<b>11,265,005</b>	<b>41,567,860</b>
<b>Fund balances - ending</b>	<b>\$ 16,596,132</b>	<b>\$ 18,593,741</b>	<b>\$ 9,078,564</b>	<b>\$ 44,268,437</b>

The notes to the financial statements are an integral part of this statement.

**Columbia County, Georgia**

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2004**

---

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 2,700,577

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 9,257,932

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (27,910)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 521,637

In the fund financial statements, interest expense on long-term debt is reported in the period that the current financial resources are used. In the statement of activities, interest expense on long-term debt is recorded as the expense is incurred. This amount is the difference between recording interest as accrued rather than as paid. 9,363

The net revenue of certain activities of the internal service funds is reported with governmental activities. (517,209)

Certain activities between funds, including indirect costs and reimbursements, are recorded as revenues and expenditures in the respective funds. These interfund transactions have been eliminated in the statement of activities. (45,979)

Change in net assets of governmental activities \$ 11,898,411

The notes to the financial statements are an integral part of this statement.



**Columbia County, Georgia**  
**General Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Taxes - property	\$ 16,981,532	\$ 16,981,532	\$ 17,260,914	\$ 279,382
Taxes - other than property	12,574,114	12,574,114	14,167,247	1,593,133
Licenses and permits	213,350	213,350	328,687	115,337
Intergovernmental	2,154,502	2,154,502	1,925,011	(229,491)
Charges for services	2,565,787	2,565,787	2,963,898	398,111
Fines and forfeitures	1,885,000	1,885,000	1,637,758	(247,242)
Investment income	301,200	301,200	151,350	(149,850)
Contributions and donations	22,000	22,000	13,370	(8,630)
Other	1,826,074	1,826,074	271,749	(1,554,325)
Total revenues	<u>38,523,559</u>	<u>38,523,559</u>	<u>38,719,984</u>	<u>196,425</u>
<b>Expenditures</b>				
Current:				
General government	10,967,186	8,349,107	8,303,134	45,973
Judicial system	2,751,567	3,196,342	3,000,304	196,038
Public safety	15,051,402	16,755,753	16,238,772	516,981
Public works	3,360,294	3,690,097	3,345,303	344,794
Health and welfare	945,305	1,029,377	1,039,230	(9,853)
Culture and recreation	2,461,713	2,703,542	2,632,346	71,196
Housing and development	2,021,547	2,113,366	1,545,650	567,716
Capital outlay	1,914,741	1,636,171	1,260,405	375,766
Total expenditures	<u>39,473,755</u>	<u>39,473,755</u>	<u>37,365,144</u>	<u>2,108,611</u>
<b>Excess (deficiency) of revenues</b>				
<b>over (under) expenditures</b>	<u>(950,196)</u>	<u>(950,196)</u>	<u>1,354,840</u>	<u>2,305,036</u>
<b>Other financing sources (uses)</b>				
Proceeds from capital lease	597,700	597,700	-	(597,700)
Sale of property	103,000	103,000	277,940	174,940
Transfers in	249,496	249,496	182,010	(67,486)
Total other financing sources (uses)	<u>950,196</u>	<u>950,196</u>	<u>459,950</u>	<u>(490,246)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>1,814,790</u>	<u>\$ 1,814,790</u>
<b>Fund balance - beginning</b>			<u>14,781,342</u>	
<b>Fund balance - ending</b>			<u>\$ 16,596,132</u>	

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**Columbia County, Georgia**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2004**

	Business-type Activities - Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Solid Waste Management Fund
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 1,345,415	\$ 5,012,483	\$ 740,721
Investments	10,277,365	3,462,906	-
Accounts receivable	2,721,817	40,277	472,695
Due from other funds	13,523	-	135,397
Inventories	311,395	-	-
Prepaid items	25,170	-	2,235
Restricted assets held to pay current liabilities	2,279,948	1,212,736	-
Total current assets	<u>16,974,633</u>	<u>9,728,402</u>	<u>1,351,048</u>
Noncurrent assets			
Restricted cash and investments	-	5,348,929	-
Deferred charges	1,039,454	9,951	-
Capital assets, net of accumulated depreciation	129,493,475	1,507,108	312,747
Total noncurrent assets	<u>130,532,929</u>	<u>6,865,988</u>	<u>312,747</u>
Total assets	<u>147,507,562</u>	<u>16,594,390</u>	<u>1,663,795</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	3,739,760	-	55,369
Accrued payroll	184,551	-	13,239
Accrued compensated absences	237,535	-	24,612
Due to other funds	5,431	135,397	138,037
Payable from restricted assets			
Revenue bonds payable	2,825,000	1,140,000	-
Accrued interest payable	229,065	71,274	-
Customer deposits	88,760	-	-
Current portion of notes payable and capital leases	239,300	-	47,668
Total current liabilities	<u>7,549,402</u>	<u>1,346,671</u>	<u>278,925</u>
Noncurrent liabilities			
Notes payable	1,589,701	-	-
Capital leases	-	-	120,114
Estimated liability for landfill closure and postclosure care costs	-	8,732,727	1,412,098
Revenue bonds	50,685,404	1,235,000	-
Total noncurrent liabilities	<u>52,275,105</u>	<u>9,967,727</u>	<u>1,532,212</u>
Total liabilities	<u>59,824,507</u>	<u>11,314,398</u>	<u>1,811,137</u>

The notes to the financial statements are an integral part of this statement.

Non-major		Governmental
Storm Water		Activities -
Utility		Internal
Fund	Total	Service
		Funds
\$ 1,384,440	\$ 8,483,059	\$ 284,613
-	13,740,271	-
161,587	3,396,376	1,059
5,431	154,351	19,592
-	311,395	-
3,470	30,875	305
-	3,492,684	-
<u>1,554,928</u>	<u>29,609,011</u>	<u>305,569</u>
-	5,348,929	-
-	1,049,405	-
4,840,514	136,153,844	-
<u>4,840,514</u>	<u>142,552,178</u>	<u>-</u>
<u>6,395,442</u>	<u>172,161,189</u>	<u>305,569</u>
40,620	3,835,749	262,258
17,766	215,556	7,624
8,522	270,669	5,467
18,388	297,253	685,758
-	3,965,000	-
-	300,339	-
-	88,760	-
-	286,968	-
<u>85,296</u>	<u>9,260,294</u>	<u>961,107</u>
-	1,589,701	-
-	120,114	-
-	10,144,825	-
-	51,920,404	-
-	63,775,044	-
<u>85,296</u>	<u>73,035,338</u>	<u>961,107</u>

Continued on the following pages.

Columbia County, Georgia  
Statement of Net Assets - Continued  
Proprietary Funds  
June 30, 2004

	Business-type Activities - Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Solid Waste Management Fund
Net assets			
Invested in capital assets, net of related debt	75,472,436	(867,892)	192,633
Restricted for debt service	643,757	6,490,391	-
Unrestricted net assets	11,566,862	(342,507)	(339,975)
Total net assets	<u>\$ 87,683,055</u>	<u>\$ 5,279,992</u>	<u>\$ (147,342)</u>

Some amounts reported for *business-type activities* in the statement of net assets are different because of the following:

- Certain internal service fund assets and liabilities are included with business-type activities.
- Interfund indirect cost allocations have been eliminated.
- Total net assets for business-type activities



<u>Non-major</u>		Governmental
<u>Storm Water</u>		Activities -
<u>Utility</u>		Internal
<u>Fund</u>	<u>Total</u>	<u>Service</u>
		<u>Funds</u>
4,840,515	79,637,692	-
-	7,134,148	-
1,469,631	12,354,011	(655,538)
<u>\$ 6,310,146</u>	<u>99,125,851</u>	<u>\$ (655,538)</u>

(83,066)  
599,926  
\$ 99,642,711

**Columbia County, Georgia**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2004**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water and Sewerage Fund</b>	<b>Solid Waste Authority Fund</b>	<b>Solid Waste Management Fund</b>
<b>Operating revenues</b>			
Charges for services	\$ 16,655,218	\$ 2,801,865	\$ 2,730,809
Intergovernmental	-	-	-
Rental income	25,000	-	-
Reimbursement	101,228	-	1,333,852
Other	9,425	-	19,898
Total operating revenues	<u>16,790,871</u>	<u>2,801,865</u>	<u>4,084,559</u>
<b>Operating expenses</b>			
Personal services	3,554,781	-	296,736
Purchased/contracted services	1,363,112	3,997	521,365
Supplies and materials	2,917,779	-	232,184
Repairs and maintenance	967,642	-	-
Interfund/Interdepartmental charges	376,962	1,333,852	81,974
Depreciation and amortization	4,449,845	659,128	131,738
Other costs	21,938	-	2,811,647
Landfill closure and postclosure care costs	-	431,050	24,955
Total operating expenses	<u>13,652,059</u>	<u>2,428,027</u>	<u>4,100,599</u>
<b>Operating income (loss)</b>	<u>3,138,812</u>	<u>373,838</u>	<u>(16,040)</u>
<b>Nonoperating revenue (expense)</b>			
Interest earned	161,438	210,232	3,110
Interest expense	(2,043,152)	(142,548)	-
Total nonoperating revenue (expense)	<u>(1,881,714)</u>	<u>67,684</u>	<u>3,110</u>
<b>Income (loss) before transfers, contributions special items, and extraordinary items</b>	<u>1,257,098</u>	<u>441,522</u>	<u>(12,930)</u>
Capital contributions	<u>2,954,986</u>	<u>-</u>	<u>-</u>
<b>Change in net assets</b>	<u>4,212,084</u>	<u>441,522</u>	<u>(12,930)</u>
<b>Total net assets - beginning</b>	<u>84,531,870</u>	<u>4,838,470</u>	<u>(134,412)</u>
<b>Prior period adjustments</b>	<u>(1,060,899)</u>	<u>-</u>	<u>-</u>
<b>Total net assets - beginning, as restated</b>	<u>83,470,971</u>	<u>4,838,470</u>	<u>(134,412)</u>
<b>Total net assets - ending</b>	<u>\$ 87,683,055</u>	<u>\$ 5,279,992</u>	<u>\$ (147,342)</u>

Some amounts reported for *business-type activities* in the statement of net assets are different because of the following:

Certain internal service fund assets and liabilities are included with business-type activities.

Interfund indirect cost allocations have been eliminated.

**Change in net assets of business-type activities**

The notes to the financial statements are an integral part of this statement.

<u>Non-major</u> <u>Storm Water</u> <u>Utility</u> <u>Fund</u>	<u>Total</u>	<u>Governmental</u> <u>Activities -</u> <u>Internal</u> <u>Service</u> <u>Funds</u>
\$ 2,000,827	\$ 24,188,719	\$ 3,195,010
-	-	814,898
-	25,000	-
-	1,435,080	-
1,500	30,823	19,102
<u>2,002,327</u>	<u>25,679,622</u>	<u>4,029,010</u>
329,664	4,181,181	144,849
388,686	2,277,160	4,341,026
21,956	3,171,919	14,661
-	967,642	-
353,007	2,145,795	47,150
423,164	5,663,875	-
-	2,833,585	480
-	456,005	-
<u>1,516,477</u>	<u>21,697,162</u>	<u>4,548,166</u>
<u>485,850</u>	<u>3,982,460</u>	<u>(519,156)</u>
26,787	401,567	3,513
-	(2,185,700)	-
<u>26,787</u>	<u>(1,784,133)</u>	<u>3,513</u>
512,637	2,198,327	(515,643)
<u>1,168,615</u>	<u>4,123,601</u>	<u>-</u>
<u>1,681,252</u>	<u>6,321,928</u>	<u>(515,643)</u>
4,628,894		(139,895)
-		-
<u>4,628,894</u>		<u>(139,895)</u>
<u>\$ 6,310,146</u>		<u>\$ (655,538)</u>

1,566  
45,979  
\$ 6,369,473

**Columbia County, Georgia**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2004**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Water and Sewerage Fund</b>	<b>Solid Waste Authority Fund</b>	<b>Solid Waste Management Fund</b>
<b>Operating activities</b>			
Cash received from customers	\$ 16,305,824	\$ 2,762,579	\$ 4,101,687
Cash paid to suppliers and others	(3,754,372)	(1,379,631)	(3,735,970)
Cash paid to employees	(3,508,779)	-	(301,438)
Net cash provided by (used in) operating activities	9,042,673	1,382,948	64,279
<b>Capital and related financing activities</b>			
Acquisition and construction of capital assets	(16,952,454)	-	-
Principal paid on revenue bonds	(2,690,000)	(1,015,000)	-
Principal paid on notes / capital leases	(228,608)	-	(113,074)
Interest paid on revenue bonds, notes and capital leases	(2,053,548)	(172,237)	-
Net cash provided by (used in) capital and related financing activities	(21,924,610)	(1,187,237)	(113,074)
<b>Investing activities</b>			
Interest on investments	161,438	210,232	3,110
Net cash provided (used) in investing activities	161,438	210,232	3,110
Net increase (decrease) in cash and cash equivalents/investments	(12,720,499)	405,943	(45,685)
<b>Cash and cash equivalents/investments</b>			
Beginning of year	26,623,227	10,142,157	786,406
End of year	\$ 13,902,728	\$ 10,548,100	\$ 740,721

The notes to the financial statements are an integral part of this statement.

Non-major		Governmental
Storm Water		Activities -
Utility		Internal
Fund	Total	Service
		Funds
\$ 2,055,514	\$ 25,225,604	\$ 4,028,287
(1,766,315)	(10,636,288)	(3,694,886)
(324,040)	(4,134,257)	(137,482)
(34,841)	10,455,059	195,919
(421,970)	(17,374,424)	-
-	(3,705,000)	-
-	(341,682)	-
-	(2,225,785)	-
(421,970)	(23,646,891)	-
26,787	401,567	3,513
26,787	401,567	3,513
(430,024)	(12,790,265)	199,432
1,814,464	39,366,254	85,181
\$ 1,384,440	\$ 26,575,989	\$ 284,613

Continued on the following pages.



**Columbia County, Georgia**

**Statement of Cash Flows - Continued**  
**Proprietary Funds**  
**For the Year Ended June 30, 2003**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Water and Sewerage Fund</b>	<b>Solid Waste Authority Fund</b>	<b>Solid Waste Management Fund</b>
<b>Reconciliation of operating income (loss)</b> <b>to net cash provided by</b> <b>(used in) operating activities</b>			
Operating income (loss)	\$ 3,138,812	\$ 373,838	\$ (16,040)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	4,449,845	659,128	131,738
Change in assets and liabilities			
Accounts receivable	(516,361)	(39,286)	17,128
Inventory	202,348	-	-
Deferred charges / prepaid expense	(1,608)	-	253
Due from other funds	(6,586)	-	41,782
Accounts payable	2,010,447	-	(41,048)
Accrued liabilities	46,002	-	(4,702)
Customer deposits	31,314	-	-
Due to other funds	(311,540)	(41,782)	(89,787)
Estimated liability for landfill closure and postclosure care cost	-	431,050	24,955
Total adjustments	<u>5,903,861</u>	<u>1,009,110</u>	<u>80,319</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>\$ 9,042,673</u></u>	<u><u>\$ 1,382,948</u></u>	<u><u>\$ 64,279</u></u>
<b>Noncash investing, capital, and financing activities:</b>			
Capital contributions from developers	\$ 2,954,986	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

Non-major		Governmental
Storm Water		Activities -
Utility		Internal
Fund	Total	Service
		Funds
\$ 485,850	\$ 3,982,460	\$ (519,156)
423,164	5,663,875	-
53,187	(485,332)	(723)
-	202,348	-
(240)	(1,595)	(63)
46	35,242	6,451
28,227	1,997,626	76,138
5,624	46,924	7,367
-	31,314	-
(1,030,699)	(1,473,808)	625,905
-	456,005	-
(520,691)	6,472,599	715,075
\$ (34,841)	\$ 10,455,059	\$ 195,919
\$ 1,168,615	\$ 4,123,601	\$ -

**Columbia County, Georgia**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2004**

	<u>Pension Trust Fund</u>	
	<u>Employees' Retirement Fund</u>	<u>Agency Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 2,481,240
Investments	12,137,241	-
Total assets	<u>12,137,241</u>	<u>\$ 2,481,240</u>
<b>Liabilities</b>		
Due to other funds	-	\$ 701,083
Due to others	-	1,780,157
Total liabilities	<u>-</u>	<u>\$ 2,481,240</u>
<b>Net assets</b>		
Reserved for employees' retirement	<u>\$ 12,137,241</u>	

The notes to the financial statements are an integral part of this statement.

**Columbia County, Georgia**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2004**

	<u>Pension Trust Fund Employees' Retirement Fund</u>
<b>Additions</b>	
Investment income:	
Net appreciation (depreciation) in fair value of investments \$	1,079,734
Interest	178,187
Total investment income	<u>1,257,921</u>
Employer contributions	<u>2,189,679</u>
Total additions	<u>3,447,600</u>
<b>Deductions</b>	
Benefits	<u>923,846</u>
Total deductions	<u>923,846</u>
<b>Change in net assets</b>	2,523,754
<b>Total net assets - beginning</b>	<u>9,613,487</u>
<b>Total net assets - ending</b>	<u><u>\$ 12,137,241</u></u>

The notes to the financial statements are an integral part of this statement.

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